

## Message Text

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FM SECSTATE WASHDC  
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
XMT AMEMBASSY SUVA

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E.O. 11652: GDS

TAGS:ENRG, SHUM

SUBJECT: WEEKLY STATUS REPORT -- THAILAND, INDONESIA,  
BURMA, MALAYSIA AND SINGAPORE AFFAIRS

INDONESIA

POLITICAL SITUATION (SECRET)

THE MPR WILL CONVENE THIS SATURDAY (ON THE ANNIVERSARY  
OF SUKARNO'S 1966 SIGNING OVER OF HIS POWERS TO SUHARTO)  
TO CONSIDER NEW BASIC GUIDELINES OF STATE POLICY AND, ON  
THE 22ND, ELECT A PRESIDENT AND VICE PRESIDENT. STUDENT  
DEMONSTRATIONS AND STRIKES CONTINUE IN A HOPSCOTCH MANNER  
ON ONE CAMPUS OR ANOTHER, WITH SOME STUDENT PROVOCATIONS,  
OCCASIONAL SECURITY FORCE OVERREACTION, SOME REPORTS OF  
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INJURIES, BUT NO CONFIRMED DEATHS. BY AND LARGE, SECURITY  
FORCES SEEM TO HAVE BEEN REASONABLY PRUDENT DURING INTRU-  
SIONS ONTO CAMPUSES, BUT THE POSSIBILITY OF SOME SERIOUS  
INCIDENT BEFORE OR DURING THE MPR SESSION REMAINS.  
INCREASING NUMBERS OF REPORTS STATE THAT VP SULTAN HAMENGKU  
BUWONO HAS DEFINITELY DECIDED NOT TO STAND FOR RE-ELECTION  
WITH SUHARTO. WHILE VARIOUS NAMES HAVE BEEN MENTIONED AS

POSSIBLE SUCCESSORS, MOST REPORTS NOW IDENTIFY ADAM MALIK AS THE SULTAN'S MOST LIKELY SUCCESSOR (I.E. LEAST LIKELY TO AROUSE INTRA-MILITARY JEALOUSIES).  
FRASER HEARING: STATEMENTS FOR THE RECORD (CONF)

DOD/DSAA IS EXPECTED TO PROVIDE US TOMORROW WITH WHAT INFORMATION IT HAS AVAILABLE ON SECURITY ASSISTANCE ACTIONS ACTUALLY TAKEN DURING THE DEC 75-JUNE 76 ADMINISTRATIVE "SUSPENSION" OF ASSISTANCE TO INDONESIA. WE WILL BE WORKING WITH H AND PM IN PREPARING A RESPONSE. REPLIES TO FRASER'S OTHER QUESTIONS HAVE BEEN PREPARED AND WILL BE DELIVERED TO THE COMMITTEE TOMORROW.

PAC-INDO LNG PROJECT (LIMITED OFFICIAL USE)

PERTAMINA'S WASHINGTON REP, JUST BACK FROM JAKARTA, INFORMS US THAT PERTAMINA AND PACIFIC LIGHTING ARE REQUESTING A PRIVILEGED CONFERENCE WITH DOE REG CHIEF BARDIN ON MARCH 16 OR 17 TO OBTAIN AMPLIFICATION OF BARDIN'S EARLIER COMMENTS ON THE PRICE ESCALATOR CLAUSE. IF SUCCESSFUL, PERTAMINA AND PAC-INDO REPS WILL RETURN TO JAKARTA FOR A MEETING THERE ON APRIL 6 TO DEVELOP A PROPOSAL FOR SUBMISSION TO DOE.

THAILAND

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KRIANGSAK'S ASEAN TOUR (CONFIDENTIAL)

PM KRIANGSAK CONCLUDED A SUCCESSFUL 12 DAY VISIT TO THE ASEAN STATES ON FEB 28. IN WHAT HAS BECOME A NEW RITUAL FOR THAI PMS, KRIANGSAK BOOSTED HIS IMAGE AS A STATESMAN AND THE THAI DELEGATION LEFT A FAVORABLE IMPRESSION WITH ITS HOSTS. WHILE THE MAJOR OBJECTIVE OF THE TRIP WAS TO PROMOTE ASEAN SOLIDARITY, MATTERS OF BILATERAL CONCERN, ESPECIALLY POLITICAL AND SECURITY AFFAIRS, WERE OFTEN THE FOCUS OF PRIVATE DISCUSSIONS. IN THE PHILIPPINES, INDOCHINA DOMINATED DISCUSSIONS WITH KRIANGSAK REPEATING PUBLICLY AND PRIVATELY THE NEED FOR ASEAN NATIONS TO NORMALIZE RELATIONS WITH THE INDOCHINESE STATES EITHER IN THE ASEAN CONTEXT OR BILATERALLY. AGAIN, IN JAKARTA, THE FOCUS OF THE VISIT APPEARS TO HAVE BEEN ON POLITICAL/ SECURITY MATTERS, ALTHOUGH RICE, OIL AND OTHER ECONOMIC MATTERS WERE ALSO DISCUSSED. KRIANGSAK ALSO MADE A FAVORABLE IMPRESSION ON THE INDONESIANS -- ONE OFFICIAL IN JAKARTA COMMENTED, IN FACT, THAT KRIANGSAK IS THE BEST LEADER THAILAND HAS HAD SINCE 1932. THE VISIT TO KL WAS OVERSHADOWED TO SOME EXTENT BY THE MALAYSIAN

POLITICAL CRISIS IN KELANTAN AND, ACCORDING TO ONE SOURCE, KRIANGSAK WAS SOMEWHAT DISAPPOINTED BY HIS RECEPTION. AGAIN, THE FOCUS WAS ON THE IMPORTANCE OF COOPERATION IN POLITICAL ISSUES AND SECURITY

-- PARTICULARLY COOPERATION AGAINST INSURGENTS.

THE JOINT COMMUNIQUE FOLLOWING KRIANGSAK'S VISIT TO SINGAPORE REPEATED STANDARD PLEDGES OF COOPERATION IN ASEAN AND IN THE BILATERAL CONTEXT PRIMARILY ON ECONOMIC MATTERS.

SINGAPORE

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INVESTMENT TREATY ISSUE (CONFIDENTIAL)

DICK COOPER HAS GIVEN TREASURY TWO WEEKS TO COME UP WITH AN INTERAGENCY DRAFT MODEL TREATY RATHER THAN PROCEED UNILATERALLY WITH THE STATE DRAFT. DEPENDING ON THE RESPECTIVE DRAFTS, A DECISION WILL BE MADE ON SINGAPORE.

BURMA

NEW CABINET NAMED (CONFIDENTIAL)

FOLLOWING NATIONAL ELECTIONS IN JANUARY, THE SECOND PEOPLE'S ASSEMBLY (WHICH IS DOMINATED BY THE BURMA SOCIALIST PROGRAM PARTY) APPROVED A NEW CABINET ON MARCH 3. THE NEW LINE-UP, HEADED NATURALLY BY BURMESE STRONGMAN PRESIDENT NE WIN, CONTAINS NINE MINISTERS HELD OVER FROM THE PREVIOUS CABINET AND SUGGESTS NO SIGNIFICANT POLICY CHANGES. PM U MAUNG MAUNG KHA, WAS RETAINED AS WAS MINISTER FOR HOME AND RELIGIOUS AFFAIRS COL. SEIN LWIN (THE MINISTRY RESPONSIBLE FOR NARCOTICS CONTROL). TWO NEW DEP MINISTERS HAVE ALSO BEEN CLOSELY ASSOCIATED WITH US IN NARCOTICS PROGRAMS.

THE MOST DRAMATIC CHANGE IS THE REPLACEMENT OF THE INEFFECTUAL FOREIGN MINISTER, U HLA PHONE, WITH BRIG. GEN. MYINT MAUNG. THE GENERAL IS A FORMER AMB TO THE PRC AND THE UN AND IS GENERALLY CONSIDERED TO BE CAPABLE AND DYNAMIC. THE RECENT TREND TOWARD BRINGING MORE ACTIVE-DUTY AND FORMER MILITARY OFFICERS INTO POSITIONS OF POLITICAL LEADERSHIP WAS ALSO REFLECTED IN THE NEW HIERARCHY (ONLY ONE OF 17 MINISTERS  
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IS NOT OF MILITARY BACKGROUND).

THE EMBASSY VIEWS THE CABINET AS AN IMPROVEMENT OVER ITS PREDECESSOR, WITH THE NEW MEMBERS GENERALLY BETTER EDUCATED, BETTER QUALIFIED AND MORE COMPETENT THAN THE PEOPLE THEY REPLACED. ALTHOUGH POLITICAL POLICY REMAINS IN THE HANDS OF NE WIN AND HIS CLOSE ASSOCIATES,

WE MAY HAVE THE OPPORTUNITY FOR SOMEWHAT BETTER ACCESS AND, IT IS POSSIBLE THAT THERE MAY BE IMPROVED GUB IMPLEMENTATION OF ECONOMIC POLICIES.

BURMESE SPECIFY US ASSISTANCE THEY DESIRE (CONFIDENTIAL)

DURING EXPLORATORY TALKS IN RANGOON, ERLAND REPORTS THAT THE GUB STATES IT IS SERIOUSLY INTERESTED IN JOINT VENTURES WITH FOREIGN GOVERNMENTS OR PRIVATE FIRMS IN A NUMBER OF PRODUCTIVE FIELDS ON A "CASE BY CASE" BASIS. THE GUB WILL PROVIDE LIST OF PROJECTS WHICH COULD BE MADE AVAILABLE TO POTENTIAL US INVESTORS.

THE GUB ALSO INDICATED PRIORITY INTEREST IN USE OF US PROJECT ASSISTANCE FOR AGRICULTURE DEVELOPMENT, VIEWED FAVORABLY ANY POSSIBILITY OF US FINANCIAL ASSISTANCE SUPPLEMENTING ONGOING IBRD AND ADB PROJECTS, INDICATED IT HAS BEEN STUDYING DEVELOPMENTAL USE OF US KYAT HOLDINGS, SHOWED INTEREST IN RECEIVING COTTON (BUT NOT EDIBLE OILS OR WHEAT) AND AGREED TO CONSIDER THE PROVISION OF US TECHNICAL ASSISTANCE AND TRAINING INCLUDING REIMBURSABLE ASSISTANCE. IN CONCLUSION, THE GUB OFFICIAL EXPRESSED HOPE THAT AGREEMENT ON A SPECIFIC AREA OF COOPERATION COULD LEAD TO THE EXPANSION OF US/BURMESE RELATIONS. IN ESSENCE, THE DISCUSSIONS APPEAR TO HAVE BEEN PROFESSIONAL AND WORKMANLIKE AND AUGUR WELL FOR A SUBSEQUENT VISIT BY AID OFFICIALS. VANCE

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